

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
(Company No. 4372-M)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**A. COMPOSITION**

1. The Remuneration Committee shall comprise wholly Non-Executive Directors and a majority of them must be independent directors.
2. The Chairman of the Remuneration Committee shall be an Independent Non-Executive Director appointed from among the Board of Directors of the Company.
3. The Company Secretary shall be the secretary of the Remuneration Committee.

**B. AUTHORITY**

1. The Remuneration Committee is authorised by the Board to act as follows:
  - (a) To recommend to the Board the Company's policy framework on the terms of employment of the Executive Directors and members of the Leadership Team;
  - (b) To recommend to the Board on all elements of remuneration and compensation payments of the Executive Directors and members of the Leadership Team;
  - (c) To review and approve the annual bonus and salary increment of the Executive Directors and members of the Leadership Team;
  - (d) To review and recommend to the Board the remuneration of the Non- Executive Directors; and
  - (e) To receive and note the minutes of the Executive Compensation Committee meetings from time to time and to update the Board where necessary.

**C. MEETINGS AND MINUTES**

1. The Remuneration Committee shall meet at least once in each year or otherwise as it decides.
2. A quorum shall be two (2) members present.

A resolution in writing signed and approved by letter, telegram, telex, or other electronic means by a majority of the members of Remuneration Committee of the Directors who may at the time be present in Malaysia and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Remuneration Committee duly convened and held and may consist of several documents in the like form each signed by one (1) or more Directors or their alternate.

3. Managing Director and Human Resources Directors shall be invited to attend Remuneration Committee Meeting.
4. Executive Directors and Non-Executive Directors shall abstain from the deliberations and voting decisions in respect of their respective remuneration either at the Remuneration Committee or Board level as the case maybe.
5. The Remuneration Committee shall be entitled to call for advice internally from the Human Resources Department or from external sources, when necessary.
6. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Remuneration Committee and ensure that the minutes are properly kept and produced for inspection if required.
7. The Remuneration Committee shall report to the Board and the minutes of the Remuneration Committee Meeting will be tabled to and noted by the Board.